MARCH 11, 1963

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U.S. Poultry Exports Face Challenge

World Sugar Supply Tightens

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Turkey bar, Munich Fair

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A Look at

RICE PRODUCTION IN THE EEC

Sometime this year the Common Market will adopt its proposed rice regulations. This article, the first in a three-part series, Rice in the Common Market, *describes production in the Market's two rice-producing countries, France and Italy.*

By DEXTER V. RIVENBURGH
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The Common Market in its draft proposals for a common agricultural policy for rice has indicated that its basic aim is to establish a common rice market having the characteristics of a domestic market. To do this means guiding production to meet requirements, maintaining profitable levels of return for producers, and supporting the interests of processors, traders, and the buying public.

(These proposals, it is apparent, were based on the premise that rice is rice no matter what its shape, size, or cooking behavior might be. This led to the conclusion that the total overall production of rice in Italy and France —the only rice-producing countries in the Market Community—being roughly equal to present consumption could be expected, or adjusted, to supply all the rice that would be needed for food. Theoretically, only broken rice for industrial use would be a consistent import.)

To create this common rice market, it is proposed to set up regulations for rice similar to those for wheat and feed grains. Yet on the basis of acreage involved and limited economic importance, such a degree of protection seems excessive. Wheat and feed grains are produced in all of the Market countries, on a total of some 57 million acres. Rice is grown in just the two countries, Italy and France, on about 400,000 acres, or seven-tenths of one percent of the Community's wheat and feed grain area.

To assess the true position of rice as a single commodity within the European Economic Community one must examine the production patterns in the two rice-producing countries. While there is much similarity between the types of rice grown in Italy and France—and also in the cultural patterns—there is wide difference between the two areas of production as far as the EEC is concerned.

Italy's 500-year-old rice industry

Rice was being cultivated in Italy's Po Valley as early as 1450. Today this fertile valley that extends across northern Italy from the Alps to the Adriatic is still the country's rice area. Here the temperatures, humidity, and light conditions are well suited to the production of short-grain types of rice, though in recent years medium grains have also come into use.

Currently, the Italian systems of rice classification list three main groups:

Originario, made up of the short grain (Pearl types) rice, for which farmers receive a minimum support price of approximately $4.50 per 100 pounds of rough rice.

Semi-fines, composed of medium-grain types, with a support price of $4.64 per 100 pounds.

Fines—which also has a sub-group called *super-fines.* For these the support price ranges from $4.86 to $5.08 per 100 pounds.

According to the Italian classification, the *fine* and *superfine* groups are long-grain varieties. However, by U.S. grading standards—which are generally accepted in international trade—these are all medium grains, varying in kernel length but with cooking responses similar to those of medium-grain, soft-cooking rices.

Up until World War II, Italy had the highest annual yields of any country growing similar types of rice. (The average for the 5 years preceding the war was close to 4,700 pounds of rough rice per acre.) Aside from the fact that short-grain varieties outproduce all other in temperate zone locations, several factors were responsible for these high yields. Fertilizer was being applied at a high rate. The crop rotation was 2 years of rice and 5 years of clover. And the growing season was extended by hand transplanting.

After the war, Italian yields continued to mount, in 1960 reaching the high point of 4,956 pounds of rough rice per acre. However, by this time Italy had dropped to third place. Both Australia and Spain were obtaining materially higher yields of short-grain rice per acre.

Harvesting rice in Italy's Po Valley

Ente Risi chartered

Italy's entrance into the modern rice world started about 1931. At that time, the government was faced with burdensome stocks of rice that were difficult to move into export channels because of existing low world prices. A semi-governmental agency, the Ente Nazional Risi (National Rice Corporation) was chartered and given the responsibility to regulate production, collect the crop, and determine the level of exports. It was also authorized to set and control wholesale, retail, and export prices.

From the standpoint of the rice farmer, the operations of Ente Risi have been fairly successful, except for a couple of times when rice supplies became burdensome and had to be liquidated by relatively high subsidy costs. The Italian consumer, however, has not fared as well. Prior to the beginning of controls, per capita rice consumption averaged over 25 pounds a year. Ente Risi's policy maintaining high domestic prices to offset lower export prices resulted in pricing rice out of consumer reach. As a result, consumption was cut in half, and by now, the shift in consumer tastes may be too well established to change.

With agreement on the EEC's rice regulations expected sometime in mid-1963, Ente Risi last spring set up new regulations paralleling those proposed for the Community. Acreage restrictions were lifted on plantings. New rules were issued on export controls. The requirement that farmers deliver all rough rice to Ente Risi was eliminated, and a rather simple system of monthly refunds on exports, at around $9.20 a metric ton, was set up.

Apparently, the Italian authorities expected that acreage would automatically increase with the removal of restrictions because they cautioned growers not to expand more than 10 percent. The reverse happened. Harvested acres last year were 3 percent below those of 1961, representing a decline for the third consecutive year. Migration of farm labor to industrial areas and the better returns for dairy and other farm products are believed responsible for this fall-off.

Italy as a rice exporter

Currently, Italy ranks sixth among major world exporters of rice, after Burma, Thailand, the United States, Egypt, and Cambodia, in that order.

Most of Italy's rice exports go to countries other than those of the Common Market. In 1961, Italy shipped the Community 18,900 tons of rice, or less than 9 percent of its total rice exports. (That year the Community purchased a total of 310,000 tons.) For the 5 years previous, Italy's exports to the area had been averaging around 12 percent.

The goal of the Italian rice interests is to keep up or even increase prices to producers. At the same time, they hope to see the Community restrict imports of rice from outside sources. This, in effect, would shift to the Community, at artificially higher prices, a substantial part of Italian subsidized exports now going to other world destinations.

Here a rather serious problem arises. Traditionally most of the Common Market's rice imports are the long-grain, hard-cooking types which are not produced in Italy. If the Italian producer is to maintain his position, then the Community consumer in the four countries that grow rice will have to shift to soft-cooking types. If the consumer fails to do this and uses less rice, there will be no advantage to the Italian producer. However, if Italian exports to the Common Market should go up, consumers in both Italy and the non-rice countries will pay much higher prices.

France—a newcomer to rice

Rice growing in France is comparatively new. It started in the 1940's as a way to utilize areas with a high saline ratio. Unprofitable vineyards were shifted to rice, and, encouraged by subsidies, rice production increased. Today domestic output satisfies French requirements for the soft-cooking, short-and medium-grain varieties, which are the only types that can be grown in the Mediterranean countries.

The potential for continued expansion appears to be limited. First, France does not have sufficient new land with the type of subsoil necessary to maintain adequate irrigation. And second, Spain's improved economic conditions are cutting back the migrant labor that up to now has been used in France for transplanting and weeding.

Rice consumption in France averages about 3.5 pounds per capita annually. This is a fairly steady figure and is not likely to increase a great deal. The price is usually about 10 cents a pound retail.

French rice marketing is controlled by the Office National Interprofessionel des Cereales (ONIC) which was established in 1952 under the jurisdiction of the Ministry of Agriculture. This organization regulates marketing of domestic rice and controls exports and imports. In this capacity, ONIC represents producers, traders, and consumers. Rice prices, including retail, are set by the government.

Throughout the short history of rice in France there has been a wide variation in gross producer prices. Early in the development of the industry they were nearly $12.00 per 100 pounds for short grains. Net returns to growers have not varied so widely because of changes in support prices, weather premiums, and equalization taxes.

For 1960-61 for short-grain varieties, the French farmers received approximately $5.62 per 100 pounds of rough rice; and in addition, there was a premium for adverse weather conditions which brought the total up to $6.17. For medium grains, the producer price was $7.56 plus 18 cents for adverse weather, or a total of $7.74. The producer is also subject to an equalization tax to offset differences in export prices. In 1960-61, this tax was 14 cents per 100 pounds for short-grains and 18 cents for mediums.

The French rice trade

France is both an importer and an exporter of rice. For the 5 years 1957-61, exports have averaged less than 14,000 metric tons annually, and with the exception of some very limited shipments to the Netherlands, West Germany, and Belgium in 1958, none have gone to the Common Market countries. The United Kingdom takes some French rice but most of the country's exports go to African countries.

Imports for this same period, 1957-61, have averaged

(Continued on page 8)

WORLD SUGAR SUPPLY TIGHTENS

The world sugar situation is changing from a period of excessive Free World supplies to a position of tight supplies. This swinging of the pendulum may be attributed primarily to two factors: (1) The dramatic decline of production in Cuba, historically the world's largest sugar producer, and (2) rather poor beet crops in Western Europe in both 1961 and 1962.

Any significant change in world sugar supplies is of considerable importance to the United States. The United States is the world's largest importer of sugar, taking over two-fifths of its sugar needs—currently 9.8 million short tons, raw value, per year—from foreign suppliers.

Prior to 1960, the United States obtained one-third of its total sugar requirements from Cuba, a country that also held adequate reserves for emergencies that might face the United States. Cuba and the Philippines together supplied 95 percent of U.S. imports, some 10 or 12 other countries supplying the balance. But now the United States is spreading its market to a much larger number of suppliers.

Acreage cutback reduced Free World stocks

In reviewing the changed world sugar situation, it should be noted that for several years prior to 1961-62 production increased faster than consumption. It reached a peak of 60 million tons in 1960-61. By this time, world stocks had increased to high levels and prices were declining. Some important producing countries made policy decisions to cut back their 1961-62 acreage while endeavoring to work down excess inventories. The 1961-62 crop was down 4 million tons. This was below world consumption, which meant that world stocks were no longer building up but beginning to decline.

By the end of 1961-62, aggregate world stocks, even though declining, were still on a high "statistical" level. However, important shifts were taking place in the locations of these stocks. Cuban stocks had been practically liquidated, and Free World stocks were declining. Inventories in the Sino-Soviet Bloc, on the other hand, were apparently building up.

Complete world stocks data are not available, but the Foreign Agricultural Service estimates carryover stocks for 47 countries which account for 75 percent of the world production. This group includes most Free World countries and Cuba but excludes Bloc countries. The 1961-62 carryover for these countries totaled 8 million tons, a decline of 2 million from 1960-61. Cuba accounted for half of this decline.

Based on estimated total world production and consumption, world stocks in 1961-62 declined about 500,000 tons. Since they declined about four times this much in the 47 countries, they increased materially in the Bloc. This looks reasonable in view of the high level of production in the USSR and large Cuban exports to the Sino-Soviet Bloc.

Production down, consumption rising

Latest information on the 1962-63 world crop indicates that production may be slightly below the 1961-62 outturn. The Cuban production continues to decline and the Western European beet crop approximated the 8 million ton level of 1961-62, or 2.5 million tons below the 1960-61 crop. In recent years, world consumption has been increasing about 2 million tons per year. If this upward trend continues in 1962-63, it would bring about a further drawdown in stocks of at least 3 million tons. Assuming that most of the drawdown will be in Free World stocks, supplies at the beginning of the 1963-64 season may be uncomfortably tight.

Sugar has had its ups and downs in the past and no doubt will continue to do so in the future. The big question now is when will production again equal or exceed consumption. In projecting future production it should be noted that sugar is a rigidly controlled commodity. Future production will depend largely upon government policies and especially the response to higher prices and other developments on the international sugar scene. One of the first clues about the 1963-64 crop will be the spring planting of sugar beets in Europe. Then, too, weather will play its role in the size of future crops.

Prepared in the Sugar and Tropical Products Division, FAS.

Left, crowds at last year's British Food Fair show great interest in precooked U.S. poultry. Below, turkey sales boomed at the 1962 Munich Fair where turkey sandwiches were sold in the snack bar.

By DAVID L. HUME
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Our Poultry Exports Face a Challenge

Although many foreign markets for U.S. poultry are expanding, the EEC's agricultural policy is reducing our exports to Europe

Poultry and eggs now rank as the third largest source of farm income in this country. This is a fairly familiar fact. Not so well known, nor fully appreciated, is the role of foreign trade in the fortunes of our poultry industry.

That exports of poultry and poultry products have been of some significance for several years is illustrated by the fact that in 1953—10 years ago—the value of our exports totaled $32 million, accounting for about 1 percent of the farmer's realized gross income from poultry and eggs. By 1962, the value of poultry and poultry product exports reached $96 million, about 3 percent of gross farm income from poultry.

These figures, however, do not tell the whole story. During the 10-year period since 1953, there has been a marked shift in both the composition of exports and the countries to which these have been sold. In 1953 about 80 percent of the total value of exports was derived from shipments of eggs in all forms and about 20 percent, from poultry meat in fresh or frozen form.

By 1962, these figures had, for all practical purposes, been reversed; i.e., 80 percent of the value of exports was now derived from shipments of poultry meat and only 20 percent from eggs. Generally speaking, Europe is now self-sufficient in the production of eggs and so are Mexico and Venezuela—the two U.S. markets for shell eggs.

Poultry gains phenomenal

The big news in poultry exports is the striking increase in shipments of poultry meat products—from 48 million pounds in 1958 to 235 million in 1961 and 263 million in 1962. While gains have been made in all classes, broilers have led the list in increased exports up to now.

In 1958—the first year in which our statistics show a breakdown as to kind—of the total exports of 48 million pounds, 24 million were broilers and fryers, 13 million other chicken (mostly fowl or stewing hens), 5 million turkeys, and 6 million other poultry and game. In 1961 and 1962 exports, fresh and frozen, were as follows:

	1961 *Mil. lb.*	1962 *Mil lb.*
Broilers and fryers	149	173
Fowl	52	48
Turkeys	28	37
Other	6	5
Total	235	263

Why the great expansion in exports of poultry meat? For the most part, this is explained in terms of the high

level of economic activity plus the rising levels of income in Western Europe and the consequent rapid expansion of consumer demand for high protein foods.

But there is more to it than that. Most important is the fact that our poultry is competitive—not only in price but in quality. In fact, it is generally recognized as the finest-quality poultry in the world. U.S. chicken and turkeys move commercially to export markets on the same price basis under which they are sold domestically, and where there is currency of comparable value to U.S. dollars, they compete favorably with local production as well as with other imports.

Increased exports of poultry meat to Western European markets from the United States were in a measure sparked by an introductory shipment of frozen poultry under a Title I, Public Law 480 agreement with West Germany in 1956. This program provided for shipment of $1.2 million worth of frozen poultry (about 4 million pounds). The poultry was well received by German housewives, and in 1957, the German Government issued dollar import tenders for poultry meat amounting to $1.4 million. German imports at that time were unrestricted except from the dollar area.

These dollar allocations were increased moderately in 1958 by the West German Government. Because of persistent effort on the part of our agricultural attachés and Embassy officials with full support and cooperation of the U.S. poultry industry—plus, of course, growing consumer demand—dollar tenders in 1959 were increased to the extent that U.S. exports of poultry to West Germany reached 50 million pounds.

Our leading markets

Exports to other areas increased somewhat but the bulk of our expanded export trade is attributable to the growth of the West German market. By 1961, exports of poultry meat to West Germany, Switzerland, and other Western European countries were valued at a little over $50 million (186 million pounds).

Other markets which warrant special mention are Hong Kong and Canada. Our trade with Hong Kong consists mainly of shipments of broilers and fryers, which first reached significant proportions in 1959 when exports approached 10 million pounds. Two years later the United States shipped over 17 million pounds to this Far Eastern market. Increased demand for U.S. poultry is believed to stem mainly from the sharp decline in availability of poultry from Mainland China, a factor which would determine the future for U.S. poultry in this market.

Our market in Canada has been hampered in recent years by that country's rapidly expanding poultry industry and the demands of that industry upon the Canadian government for protection against imports. For the past 2 or 3 years, U.S. exports of turkeys to Canada have been subject to rather rigid quota restrictions which have kept turkey exports to that country on a level of about 4 million pounds annually.

The fact that the United States has these markets is not just happenstance. They result largely from a consciously planned program of foreign consumer education and promotion, carried out cooperatively by the U.S. poultry industry and the Foreign Agricultural Service. This program operates most actively in five Western European countries and in Japan. However, the program is funded so that it can move in immediately to take advantage of promotion opportunities in virtually any part of the world.

(The poultry industry organization with which FAS works in foreign market development is the International Trade Development Committee, which has designated the Institute of American Poultry Industries as its cooperating organization.)

Total poultry exports in 1961 went to about 70 countries and independent territories and were valued at $67 million (about 250 million pounds). In 1962 the value of our exports reached $72 million (about 270 million pounds).

EEC's poultry regulations

All of the 1962 increase took place in the first half of the year because of the European Economic Community's poultry regulation which became effective on last July 30th. The plan being followed by the European Economic

Chef Baba at Tokyo's Nikkatsu Hotel carves turkey at lunch to introduce U.S. poultry to food industry.

Another promotion scheme was the chicken festival staged at the Niko Food Store, Tokyo. Biggest attraction was frozen poultry.

Community, or "Common Market" as it is most frequently called, is designed to eliminate eventually all duties, levies, fees, or quotas imposed on intracommunity trade. When and if this goal is achieved, there are to be no trade barriers between France and West Germany just as there are none between Iowa and Illinois or New York and Pennsylvania or Delaware and Maryland.

For poultry from outsiders such as the United States, the Common Market's new policies are resulting in trade restrictions, rather than expansion. The "protection" provided is significantly higher than it used to be, and the end result, unless the existing direction is changed, seems certain to be that of sharply reducing access to European markets for U.S. poultry products. At the same time, it denies to European consumers our high-quality, economically priced poultry .

A strong indication of how these policies are working is clearly illustrated in the case of U.S. poultry exports to West Germany. Prior to the EEC, the applicable West German duty rate on poultry meat imported from the United States (and other sources) was 15 percent ad valorem. On the basis of a c.i.f., or landed, price of 32 cents per pound Hamburg, Germany, this resulted in an add-on cost to the first buyer of 4.8 cents per pound.

Under the present EEC regulations the add-on cost to this same 32-cents-per-pound landed price for U.S. broilers works out as follows: Regular levies are 10.21 cents per pound and a supplemental levy (in lieu of a gate price differential) is 2.27 cents per pound. These add up to a total of 12.48 cents per pound (equivalent ad valorem rate 39 percent)—almost a threefold increase in the country's rate of "protection."

Drop in market trade

The full impact of the new and higher levies has not been absolutely established, but on the basis of trade during the past 3 months, it appears that these higher rates are exerting a very serious downward influence.

U.S. poultry exports prior to July 30, 1962, experienced unusual growth, since Common Market importers bought large quantities in an attempt to beat the protective effect of the new regulation. After July 30, a sharp decline took place, reflecting this protective effect as well as the liquidation of the stocks. It is only in recent weeks that the large stocks have been completely liquidated.

During the last 3 months of 1962, U.S. broiler exports to West Germany totaled 10.8 million pounds compared with 31.0 million in the same period of 1961. Comparative figures for fowl are 2.0 million pounds as against 9.4 million the year before.

The situation for turkeys is different. There the picture is brighter. Exports have held up well in 1962 at 9.5 million pounds, compared to 8.2 million in 1961—both for the last quarter of the year. Regarding turkeys, it should be noted that supplies and qualities from sources other than the United States are quite limited. Thus, despite a Common Market turkey levy of 12.59 cents per pound, U.S. exports of turkeys to West Germany showed a moderate gain in the last quarter of 1962.

India's Declining Sugar Production Makes Long-Term Exports Difficult

Preliminary official estimates indicate a decline of about 8 percent in the area India planted to sugarcane in 1962-63. Production of refined sugar during the current season is expected to be no more than 2.9 million metric tons. Internal consumption for the same period is estimated at about 2.3 million tons.

While there will be no shortage of refined sugar for home consumption because of a carryover of over 1 million tons, the problem of enough long-term supplies for export must be considered. The government would like to push exports to about 500,000 tons, and the recent spurt in world prices of sugar is offering considerable inducement to India to export as much as possible. However, prospects for the current season have been seriously curtailed by the decline in sugarcane production.

Also lowering sugar supplies is the diversion of cane from crushing into refined sugar to the production of gur, a molasses-type sugar, and khandsari, another local sugar type. Both gur and khandsari are produced for local consumption. Gur prices have been abnormally high while refined sugar prices have been declining. The gur manufacturer is thus able to offer a better price to the cane grower than the sugar mills. Sugar mills in Uttar Pradesh and Maharashtra, the two largest sugar producing States, have been facing an acute shortage of cane for crushing.

This large-scale diversion of cane away from the sugar mills poses a serious threat to sugar production. The Union Ministry of Food and Agriculture is examining the situation in order to devise suitable remedial measures. Suggested remedial measures include the licensing of all power crushers in factory areas producing gur so that gur production in such areas can be regulated. Also, it is suggested that the cess or factory purchase tax on cane utilized for khandsari be raised from its present low level to the higher level of cess levied on cane crushed by sugar mills. These measures could increase refined sugar production and enable India to export at high world prices.

A Look at Rice Production in EEC

(Continued from page 4)

77,000 metric tons a year, of which 70 percent has been broken rice for industrial use. Cambodia and Madagascar were the major suppliers of milled rice—short and medium grains from Cambodia, long grains from Madagascar.

In general, the French would favor producer prices at their present support levels, which are substantially higher than those of Italy. If, as is likely, the Italian levels of support are used to determine the Common Market's variable levies on rice, returns to the French rice farmer would be reduced. Yet if France obtains a concession allowing access to Madagascar long-grain rice, consumer prices in France will probably remain fairly constant. Other than that, the French position will not be greatly affected, regardless of whether third party countries have access to the Common Market or not.

Growth of Mexican Livestock Industry Spurs Increased Consumption of Grain

Mexico's expanding poultry, dairy, and cattle industries — paralleling a growing population and increased per capita income—are major factors in a gradual but significant expansion of feed grain consumption.

Corn consumption increased from an estimated 4.9 million metric tons in 1957 to 5.6 million in 1962; sorghum from 51,000 in 1957 to 270,000 in 1962.

Part of the increase is corn for Mexico's expanding population, which is growing at the rate of 3.1 percent annually. But an increasingly important factor in the feed grain market is the livestock industry. All branches of the industry have expanded in the last 5 years as shown in the following consumption estimates:

	1957 *1,000 metric tons*	1962 *1,000 metric tons*
Milk	2,099	3,300
Eggs	161	171
Broilers	16	23
Beef & veal	394	400
Pork	195	210

The growth and industrialization of the livestock industry has been accompanied by a rapid development of the mixed feed industry. Mexico now has 47 registered feed manufacturing companies, compared with 9 in 1949. The total feed production is not known, but the Mexican Feed Manufacturers Association reports production of 347,000 metric tons by 23 member factories in the fiscal year ending July 31, 1961. The major part of this production, 85 percent, was poultry feed. Cattle and hog feeds accounted for 9 and 6 percent, respectively.

A potentially important use of feed grains is in the beef cattle industry. In 1962, Mexico exported 765,000 head of live cattle and 28,000 metric tons of beef. Practically all the animals are grass-fed, but several feed-lot operations have been started. The purpose is to finish the steers faster and to improve quality for both the domestic and foreign market. If economically successful, this development could become another significant outlet for limited quantities of feed grains, especially sorghum.

Other industrial uses of corn have also grown. Such products as corn flakes, corn starch, and corn oil are now manufactured in Mexico.

Faced with these increasing uses, feed grain production has been hard pressed to keep up with demand. Stimulated by a good market and special credits to corn farmers in the States of Jalisco, Veracruz, and Chiapas, production has been increasing slowly. Official corn production estimates for the past 10 years are as follows:

	1,000 metric tons
1953-57 ave.	4,316
1958	5,277
1959	5,563
1960	5,423
1961	5,561
1962	[1] 5,950

[1] 1962 official data are still preliminary; some trade estimates run as much as 500,000 tons below this figure.

Sorghum production, which was negligible 10 years ago, is estimated at 220,000 tons in 1962, about the same as in 1961.

In the last 3 years, corn consumption has been slightly above production, with the difference coming from small imports and from stocks.

In 1957 and 1958, Mexico imported relatively large quantities of corn (over 800,000 metric tons in each year) and some sorghum (51,000 and 10,000 metric tons, respectively). Thereafter, imports were relatively small, averaging 35,000 tons of corn and 16,000 of sorghum annually. In 1962, with demand continuing to expand, imports increased to approximately 70,000 tons of corn and 26,000 of sorghum. Since the next main crop harvest will not come on to the market until the latter part of 1963, further imports of corn and sorghum are anticipated. The total may reach 100,000 tons or more of corn and 50,000 tons of sorghum. The bulk of these imports will probably come from the United States, as they have in the past.

It is interesting to note that Mexico's feed grain imports are being made at the same time that domestic production of these commodities is increasing. This phenomenon is a reflection of Mexico's growth in population, in livestock production, and in industrialization. It is also a reflection of the Mexican Government's policy to prevent undue price increases of corn, which is an important constituent in the Mexican diet.

The management of the corn crop and of imports also is carried out by a quasi-governmental organization *Compañía Nacional de Subsistencia Popular* (National Popular Supply Co.). This organization assures a market for the farmer's crop in the main commercial areas with a support price of $1.63 a bushel and also carries out the import operations when retail price rises threaten.

HENRY HOPP

New Zealand Steps Up Drive for Meat Sales

Dependent upon the success of its dairy and meat industries to export, New Zealand is continuing its long-term worldwide effort to boost sales abroad.

Like many other exporters, New Zealand has been using international trade fairs as a means of promoting its products. This year the country will be represented in Milan, Italy, at the International Samples Fair from April 12-25. It will also participate in the International Fair at Salonika, Greece (September 1-22), where the New Zealand Meat Producers Board, in cooperation with the Department of Industries and Commerce, plans to exhibit, cook, and give samples of lamb.

New Zealand is promoting, in addition, a "meat by mail" business. This novel service is being introduced in Hong Kong by the New Zealand Trade Commissioner. Order forms listing various cuts and prices of lamb, mutton, beef, pork, veal, and variety meats were sent to hundreds of prospective Hong Kong buyers, who were requested to fill out and return the forms with advance payments. Prices were slightly less than in leading Hong Kong stores.

French Wheat Exports To EEC Show Big Drop

In spite of the EEC (European Economic Community) grain trading regulations, which are aimed at stimulating intra-Community trade, France is having trouble exporting its soft wheat surpluses to other EEC countries.

The statistics relating to export licenses issued by the French Government indicate the problem France is experiencing. Approximately 1 million tons of wheat have been made available for export. Of this amount, only 50,000 tons, or 5 percent, are destined for EEC countries. Normally, the French wheat exported to other EEC countries ranges between 30 and 35 percent.

This export problem comes at a time when France needs markets badly. Its 1962 wheat crop reached a record of 14 million tons, 30 percent above the 1959-61 average. This leaves France with a 4-million-ton exportable surplus. However, during the past 3 years French wheat exports have averaged only 1.7 million tons.

France's record crop resulted entirely from higher yields per acre, which reached 90 bushels in some areas but averaged 45 bushels. (French wheat acreage last year was about average—11 million acres.) Production of wheat in the other EEC countries was also at a peak, and consequently, they require very little soft wheat, the only kind France can supply in quantity. What is needed by the major EEC wheat importers, i.e., West Germany and the Netherlands, is strong wheat for blending with their own soft varieties.

Because of the reluctance of the EEC countries to buy French wheat, France this season has turned to the Soviet Bloc and Mainland China. Contracts indicate that about 2 million tons of French wheat will move into these Communist countries, which in the past were not important outlets. However, selling wheat to non-EEC countries is very costly to the French Government. Exporters must be paid a large subsidy of about $1.15 per bushel, whereas exports to fellow members of the EEC are made without subsidy payments.

Australia's Proposed Wheat Plan Is Seen Leading to Big Surplus Crops

The Australian wheat industry is at the crossroads. In November the country's Wheat Stabilization Scheme expires and a new 5-year wheat plan comes up for approval.

Writing about this new wheat legislation in the February 7 issue of the Australian *Financial Review,* E. J. Donath, economist at the University of Melbourne, points out that the current scheme has stimulated a large expansion of wheat production because of a price guarantee to producers based on unrealistic cost-of-production factors. He questions the wisdom of continuing such practices in the new scheme, as this incentive would lead to a wheat area of over 17 million acres and serious disposal problems.

"If acreages continue to increase," Mr. Donath writes, "we can expect an average wheat crop of well over 350 million bushels for the period of the new wheat plan. It is quite evident to any student of the current international wheat scene that Australia has no hope of selling these huge crops unless we want to become extremely dependent upon the Chinese market. Local disappearance amounts to less than 80 million bushels.

"During the 13 years from 1949 to 1961, our average annual export was a little over 100 million bushels. However, during the last 2 years, Australia sold 415 million bushels, averaging well over 200 million annually. Even if the 115 million sold to Communist China in the last 2 years are deducted, our exports amounted to 150 million bushels annually."

Mr. Donath comments that this 150 million bushels is the amount of export for which the wheat growers have asked the government to guarantee a return equal to cost of production, plus a profit margin. In previous legislation there was no profit margin and only a 100-million-bushel guarantee.

"I would suggest," he continues, "that future wheat legislation should not encourage average harvests of over 300 million bushels but should aim at an average of about 200 million—about 10 percent more than in the Fifties. In order to achieve this, wheat acreage would have to be reduced from last year's over 16 million acres to less than 12 million.

"How can this be brought about? Nobody in Australia wants to reintroduce wartime wheat acreage control, but it might have to be done unless 'production unlimited' is stopped."

In discussing the current expansion in wheat growing, Mr. Donath explains that unlike the American and Canadian wheat belt, the Australian wheat belt is really a mixed-farming belt for both grains and livestock.

He continues "The emphasis will lie, of course, on the relative productivity of the various products, and in this respect our wheat legislation makes the income from wheat growing not only free from fluctuations but also high profitable.

"There is no 'orderly marketing' for wool or meat, and there are no guaranteed prices for these products. Small wonder that wheat growing has spread not only into the high-rainfall zone of sheepfarming but also into the pastoral zone of sheepfarming—into areas that were regarded as highly marginal wheat districts."

With regard to the upcoming wheat legislation, Mr. Donath makes some suggestions.

First, he would assess cost of production annually on the actual return of that year, and says should this be too complicated, the yield divisor should be raised. This would make returns from wheat comparable again with those from meat and wool and might stop wheat expansion.

Second, he suggests that "orderly marketing" of wheat be retained but all other sections of traditional wheat legislation be abolished. The Wheat Board would sell both locally and overseas at current world market prices, and farmers would get the outcome of these realizations. This would do away with subsidies, fixing of cost of production, and the whole mechanism of the Stabilization Fund.

CROPS AND MARKETS

World Production, Trade Report Issued Monthly

On the last Thursday of each month the Foreign Agricultural Service issues a publication called *World Agricultural Production and Trade—Statistical Report.* Formerly designated as *World Summaries, Crops and Livestock,* this publication gives detailed data on the production, stocks, and trade of most of the agricultural products that are sold in world markets.

Those on the *free* mailing list to receive the weekly *Foreign Agriculture* automatically receive this monthly statistical report. Others who want to receive it may have their names placed on a special mailing list by writing to the Foreign Market Information Division, Foreign Agricultural Service, USDA, Rm. 5918 South, Washington 25, D.C.

Lebanon Sets New Policy on Imported Flour

On January 5, 1963, Lebanon reduced the tax on high-grade wheat flour imported by sea for local consumption from 4 piasters per kilogram (58 cents per cwt.) to 2 piasters per kilogram (29 cents per cwt.). At the same time, a tax was imposed on a fixed amount of 18,000 tons of flour (quality unspecified) imported by sea for local consumption. This tax has been fixed at a minimum of 4 piasters per kilogram (58 cents per cwt.) and a maximum of 10 piasters (1.45). The highest importer-bidder will receive the import license. The former tax was fixed at 6 piasters per kilogram (87 cents per cwt.).

It is now possible that the new regulation will enable U.S. flour to become more competitive with European exports to the Lebanese market. Lebanon imported 813,740 cwt. of flour in 1962.

Thai Rice Prices Up Despite Large Crop

Withholding of new-crop rice by up-country Thai farmers for higher prices is raising export prices.

Stocks up-country are abundant. A record crop, officially estimated at 8.9 million metric tons of rough rice, was harvested in 1962-63. This preliminary estimate is considered by some authorities to be perhaps as much as 300,000 tons too high.

Even a harvest of 8.6 million tons would be a record. The previous largest crop was 8.3 million in 1956-57, and the average in the 5 years ending in 1959-60 was 7,005,000.

To stabilize prices throughout 1963, and to avoid the too heavy exports that occurred from January through May 1962, the government is trying to regulate the export flow of rice at 100,000 to 120,000 tons a month. At the higher rate, 1963 calendar year exports would total about 1.4 million tons of milled rice.

Export prices of new-crop rice on February 18, 1963, were the highest since November 16, 1962, when the crop had not yet fully come onto the market, and old-crop supplies were short. The February 18 prices were 4 to 11 percent higher than a year earlier and 13 to 20 percent above 2 years ago.

The average export prices of all types in calendar year 1963 varied between 10 and 14 percent above the 1961 average, depending on grade. The highest gains were in the prices of high-quality grades of glutinous, cargo, and parboiled rice.

THAILAND'S AVERAGE RICE EXPORT PRICES, F.O.B. BANGKOK[1] ON SELECTED DAYS, JANUARY 1961 TO FEBRUARY 1963

Date	White rice		White broken	Cargo
	100-percent first-grade	10-percent broken	A-1 super	100-percent first-grade
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
1961:				
January 23	6.11	5.50	4.10	5.12
February 20	6.16	5.52	4.03	5.14
1962:				
January 22	6.57	6.02	4.65	5.61
February 20	6.70	6.25	5.01	—
1963:				
January 7	6.87	6.23	4.21	5.73
January 15	6.71	6.26	4.52	5.82
January 21	6.81	6.17	4.33	5.73
January 28	6.87	6.17	4.39	5.79
February 4	6.80	6.16	4.51	5.72
February 11	6.80	6.29	4.64	5.72
February 18	6.99	6.48	4.83	5.72

[1] Milled rice. Includes export premium, export tax, and cost of bags. Packed in bags of 100 kilograms (220.46 lb.) net.

Finnish Dry Milk to Soviet Union

Finland recently signed a contract to supply the Soviet Union with 4.8 million pounds of dry milk, believed to be nonfat dry milk. Delivery is to be made in the first 6 months of 1963. The contract covers approximately one-half of the $2.2-million-quota for Finnish agricultural products to be supplied under the Finnish-Soviet trade agreement for 1963.

1962 Exports of Animal Fats and Oils Lower

The combined exports of all types of animal fats and oils from the United States dropped by more than 200 million pounds in 1962 compared with the previous year.

Reduced exports of U.S. inedible tallow accounted for most of the decline. In 1961 Soviet Russia purchased about 200 million pounds against 66 million in 1962. Japan took nearly 100 million pounds less in 1962, and combined exports to all EEC countries were down about 30 million to 440 million pounds. Partially offsetting these dollar sales were increased shipments under P.L. 480 to Egypt, Pakistan, and Poland.

The Netherlands and Japan account for most of the U.S. inedible grease exports. Both countries took reduced amounts in 1962.

Partially offsetting the general decline in animal fats and oil exports was an increase in exports of lard. A 25-percent rise in shipments to the United Kingdom more than offset declines to practically every other market. Included in the 1961 total are 42 million pounds shipped to Cuba. There have been no more such exports since mid-1961.

U.S. EXPORTS OF ANIMAL FATS AND OILS

Commodity	Average 1956-60	1961	1962 [1]	Increase or decrease
Edible:	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Lard	545.2	416.6	422.1	+ 5.5
Tallow	11.6	3.4	5.6	+ 2.2
Oleo oil [2]	4.3	4.3	4.3	—
Oleo stock	5.6	.7	.4	— .3
Shortenings, animal fat, excluding lard	.9	3.8	2.1	— 1.7
Total edible	567.6	428.8	434.5	+ 5.7
Inedible:				
Tallow	1,308.1	1,593.1	1,427.1	—166.0
Animal greases and animal fats	114.8	203.0	161.4	— 41.6
Animal oils, nes [3]	5.5	8.3	6.9	— 1.4
Stearic acid	6.6	8.1	8.1	—
Oleic acid or red oil	1.1	1.4	1.0	— .4
Total inedible	1,436.1	1,813.9	1,604.5	—209.4
Total edible and inedible	2,003.7	2,242.7	2,039.0	—203.7
Edible:	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
Lard	65.4	46.7	40.6	— 6.1
Tallow	1.2	.3	.5	+ .2
Oleo oil	.7	.7	.7	—
Oleo stock	.7	.1	(4)	— .1
Shortenings, animal fat, excluding lard	.2	.7	.5	— .2
Total edible	68.2	48.5	42.3	— 6.2
Inedible:				
Tallow	102.4	113.6	91.8	— 21.8
Animal greases and animal fats	9.4	17.1	11.5	— 5.6
Animal oils, nes [3]	.6	.9	.8	— .1
Stearic acid	.8	.8	.8	—
Oleic acid or red oil	.2	.2	.2	—
Total inedible	113.4	132.6	105.1	— 27.5
Total edible & inedible	181.6	181.1	147.4	— 33.7

[1] Preliminary. [2] Includes oleo stearin. [3] Includes neatsfoot oil. [4] Less than $50,000. Bureau of the Census.

Australian Meat Exports Reach New High

Australian meat exports in 1962 set a new record with 831 million pounds. This total is nearly a third greater than exports during 1961. Approximately 60 percent of the exports were shipped to the United States.

The United States received 79 percent of Australia's record shipments of beef, 48 percent of the mutton, 10.5 percent of the lamb, but only .6 of 1 percent of the canned meats. On the other hand, the United Kingdom received 77 percent of the lamb, 62 percent of the canned meats, 15 percent of the mutton, and 13 percent of the beef and veal.

During 1962 shipments to the United Kingdom totaled 203 million pounds, 24 percent of the total. Other large destinations were Canada (41.5 million pounds), 5 percent of the total; Malaya (16.9 million pounds), 2 percent; and Japan (13.8 million pounds), 1.7 percent. Shipments to the European Common Market amounted to only 4.7 million pounds and were less than 1 percent of total exports.

The large exports of meat were due to a continued increase in livestock numbers and productivity and the development of better transportation facilities to move livestock to slaughter plants. Australia has experienced a good grazing year and returns have been relatively good.

AUSTRALIAN MEAT EXPORTS TO THE UNITED KINGDOM, UNITED STATES AND OTHER COUNTRIES

Commodity and year	United Kingdom	United States	Other countries	Total
Lamb [2]:	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959	45.6	3.2	14.6	63.4
1960	48.8	7.1	12.9	68.8
1961	30.8	3.1	13.1	47.0
1962	38.8	5.3	6.6	50.7
Mutton [2]:				
1959	21.1	39.5	12.4	73.0
1960	18.6	32.2	24.8	75.6
1961	13.0	49.0	37.1	99.1
1962	19.8	61.9	46.9	128.6
Beef and veal [2]:				
1959	218.6	224.3	48.5	491.4
1960	136.8	150.0	39.1	325.9
1961	70.9	256.4	39.5	366.8
1962	73.6	433.2	42.3	549.1
Pork:				
1959	.1	—	.9	1.0
1960	(3)	—	.9	.9
1961	.5	—	1.3	1.8
1962	.1	(3)	1.3	1.4
Variety meats [2]:				
1959	38.7	.6	5.2	44.5
1960	27.8	.1	4.6	32.5
1961	25.8	.2	6.4	32.4
1962	36.3	.6	7.8	44.7
Bacon and ham:				
1959	—	—	.4	.4
1960	—	(3)	.4	.4
1961	—	—	.3	.3
1962	—	—	.2	.2
Canned meat:				
1959	80.6	.2	32.4	113.2
1960	55.2	.3	22.1	77.6
1961	52.9	.4	24.9	78.2
1962	34.0	.3	20.5	54.8
Other meat:				
1959	(3)	(3)	2.6	2.6
1960	—	—	1.6	1.6
1961	—	(3)	1.6	1.6
1962	—	(3)	1.9	1.9
Total meat:				
1959	404.7	267.8	117.0	789.5
1960	287.2	189.7	106.4	583.3
1961	193.9	309.1	124.2	627.2
1962	202.6	501.3	127.5	831.4

[1] Year ending December. [2] Chilled and frozen. [3] Less than 50,000 lb. *The Meat Producer and Exporter*, January 1963.

U.K. Lard Imports Up 15 Percent in 1962

Imports of lard into the United Kingdom in 1962 totaled 444 million pounds, up 15 percent from the 385 million imported in 1961.

UNITED KINGDOM LARD IMPORTS, 1961 AND 1962

Origin	1961		1962	
	Quantity	Percent	Quantity	Percent
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	294,499	76.5	343,208	77.2
France	39,662	10.3	23,785	5.4
Belgium	10,973	2.9	23,263	5.2
Denmark	14,878	3.9	17,307	3.9
Poland	9,561	2.5	17,265	3.9
Germany, West	1,187	.3	7,055	1.6
Netherlands	10,259	2.6	7,044	1.6
Sweden	2,270	.6	4,166	.9
Other	1,450	.4	1,201	.3
Total	384,739	100.0	444,294	100.0

Henry A. Lane & Co., Ltd.

The United States continued to be the major supplier, providing 77 percent of the total at 343 million pounds. Poland, West Germany, Denmark, and Belgium all supplied increased amounts during the year.

Australian Meat Moves to the U.S.

Two ships left Australia the second week of February with 887,640 pounds of beef and 40,320 pounds of mutton for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
				Pounds
Martha Bakke.....	Seattle	Apr. 4	{Beef	291,200
Feb. 9			{Mutton	6,720
	Portland	Apr. 5	Beef	179,200
	Los Angeles	Apr. 13	Beef	244,160
	San Francisco	Apr. 17	{Beef	71,680
			{Mutton	33,600
Iberia.....	San Francisco	Mar. 1	Beef	44,800
Feb. 10	Los Angeles	Mar. 3	Beef	56,000

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

U.S. Olive Oil Imports Decline

Olive oil imports into the United States during 1962 totaled 28,890 short tons, down 2 percent from 1961 but 12 percent above the 1955-59 average.

Reduced quantities from the principal source, Spain, were largely offset by increases from Italy, Tunisia, and Greece. The major sources on U.S. imports of edible olive oil together with their percentages of the total for 1962 with 1961 in parenthesis were: Spain 50 (68); Italy 29 (26); Tunisia 8 (4); Greece 6 (0.3); and Turkey 5 (0.1).

U.S. imports of inedible olive oil have dropped to relatively small quantities in recent years.

U.S. IMPORTS OF OLIVE OIL, EDIBLE AND INEDIBLE

Type of oil and Country of origin	Average 1955-59	1960	1961 [1]	1962 [1]
EDIBLE	*Tons*	*Tons*	*Tons*	*Tons*
Algeria	706	—	—	22
Argentina	477	328	394	164
France	619	152	123	148
Greece	1,708	278	75	1,799
Italy	7,585	7,177	7,595	8,286
Lebanon	13	—	—	([2])
Morocco	613	—	—	55
Portugal	49	57	98	193
Spain	9,237	16,996	19,861	14,270
Tunisia	4,107	575	1,229	2,396
Turkey	1	—	22	1,429
Others	189	1	([2])	1
Total	25,304	25,564	29,397	28,763
INEDIBLE				
Algeria	18	—	—	—
Argentina	8	—	—	—
France	1	—	—	—
Greece	10	—	—	3
Italy	7	—	—	—
Lebanon	6	—	—	—
Portugal	304	42	42	100
Spain	41	266	111	19
Tunisia	38	6	—	5
Others	3	—	—	—
Total	436	314	153	127
Total oil	25,740	25,878	29,550	28,890

[1] Preliminary. [2] Less than ½ ton. Department of Commerce.

U.S. Imports of Castorbeans Up; Oil Down

U.S. imports of castorbeans in 1962 increased sharply from 1960 and 1961, but imports of castor oil decreased.

Castorbean imports jumped to 10,087 tons compared with only about 2,000 tons in 1960 and 1961. Ecuador and Haiti accounted for most of the increased shipments, and for 96 percent of the total. Prior to 1960 Brazil was the major source of supply, but Brazil has exported virtually no castorbeans in the last 3 years.

U.S. imports of castor oil at 52,807 tons were 11 percent less than imports in 1961. Over 84 percent of the oil came from Brazil. However, because of reduced stocks in Brazil, imports from that country were 10,000 tons less than the quantity the United States purchased a year earlier.

U.S. IMPORTS OF CASTORBEANS AND CASTOR OIL

Item and origin	Average 1955-59	1960	1961 [1]	1962 [1]
CASTORBEANS	*Tons*	*Tons*	*Tons*	*Tons*
N. America:				
El Salvador	33	—	—	—
Haiti	1,518	732	63	1,889
Other	24	—	([2])	28
Total	1,575	732	63	1,917
So. America:				
Argentina	22	—	—	—
Brazil	16,504	—	—	—
Ecuador	1,931	672	1,975	7,835
Paraguay	273	112	—	335
Total	18,730	784	1,975	8,170
Europe	1	([2])	—	([2])
Africa	—	—	—	—
Asia:				
Iran	44	—	—	—
Total	44	—	—	—
Grand total	20,350	1,516	2,038	10,087
CASTOR OIL				
No. America	13	—	—	—
So. America:				
Argentina	445	165	220	—
Brazil	28,639	20,977	55,407	44,497
Other	207	33	125	121
Total	29,291	21,175	55,752	44,618
Europe:				
Germany, W.	1,674	2,998	335	3,060
Other	378	([3]) 3,125	([4]) 1,375	([4]) 1,277
Total	2,052	6,123	1,710	4,337
Africa	1,479	1,027	1,238	326
Asia:				
India	17,645	24,960	—	218
Other	65	440	578	([5]) 3,308
Total	17,710	25,400	578	3,526
Grand total	50,545	53,725	59,278	52,807

[1] Preliminary. [2] Less than ½ ton. [3] Includes 2,645 tons from Yugoslavia. [4] All from Yugoslavia. [5] All from Japan.

Compiled from official records of the Department of Commerce.

U.S. Fish Oil Exports Virtually Unchanged

U.S. exports of fish oil (including fish liver oils) in 1962 totaled 61,525 short tons, up slightly from the 61,243 tons exported in 1961.

Shipments to Europe, the leading market area, increased by 7 percent. The increase in exports to the United Kingdom, the Netherlands, Belgium, and Western Germany more than offset reduced shipments to Norway and Sweden.

U.S. exports to Canada, however, declined by 38 percent. The world's major fish oil exporters in 1962 were Peru, the United States, Iceland and the Republic of South Africa.

U.S. EXPORTS OF FISH OIL (INCLUDING LIVER) BY COUNTRY OF DESTINATION

Country of destination	Average 1955-59	1960	1961 [1]	1962 [1]
North America:	*Tons*	*Tons*	*Tons*	*Tons*
Canada	4,513	4,923	8,467	5,278
Cuba	97	21	—	—
Mexico	112	290	313	408
Other	43	5	663	4
Total	4,765	5,239	9,443	5,690
South America	40	26	18	20
Europe:				
Bel.-Lux.	1,406	343	677	1,664
Denmark	288	10	—	—
France	14	20	30	106
Germany, W.	20,450	13,041	7,795	8,460
Italy	94	—	3	11
Netherlands	22,608	26,567	12,794	17,027
Norway	6,302	7,957	15,639	5,010
Sweden	6,817	18,013	10,321	6,723
Switzerland	473	—	—	—
U.K.	532	568	4,454	16,487
Other	5	13	7	7
Total	58,989	66,532	51,720	55,495
Asia:				
Philippines	3	2	—	3
Other	25	24	18	268
Total	28	26	18	271
Africa	85	6	35	48
Oceania	1	1	9	1
Grand total	63,908	71,830	61,243	61,525

[1] Preliminary. Department of Commerce.

Japan Soybean Imports May Equal 1962

Present indications are that Japan's imports of soybean meal in 1963 may equal the approximately 16,000 tons believed to have been imported in 1962.

Meal imports during late 1963 and early 1964 could again become substantial as they were in 1961, should meal be liberalized on July 1 without any accompanying change in the tariff structure (either an increase in the 5-percent meal duty or a decrease in the 13-percent soybean duty *Foreign Agriculture,* Feb. 11.).

Imports of soybean meal in 1961 at 56,355 metric tons were the largest since 1951. In early 1961, inventories of meals were kept low by the industry in anticipation of market disruption from the expected liberalization of soybean imports. The change came about on July 1, 1961.

The soybean meal shortage was further aggravated by the unexpectedly rapid rate of expansion in the feed industry early in 1961. Meal consumers were the hardest hit by the limited meal supply situation, and meal prices rose unduly. Consequently, feed and shoyu makers sought and succeeded in getting substantial allocations to import meal.

Meal imports dropped sharply in 1962, probably in large part because of the liberalization of soybeans in 1961. During January-November imports totaled only 15,665 tons (5,812 tons from the United States, 9,627 from the USSR, and 166 from the Ryukyus) compared with 55,970 tons in 12 months of 1961 (55,036 from the United States, 1,095 from the USSR, and 174 from Ryukyus). However, while imports in the first 11 months of 1962 were less than one-third the tonnage for comparable months of 1961, they exceeded average annual imports in the years 1954 through 1960. In the last decade, with the exception of 1958, 1959, and 1962, most imports came from the U.S.

U.S. Copra and Coconut Oil Imports Rise

U.S. imports of copra and coconut oil in 1962 totaled 357,521 short tons, oil equivalent, 11 percent greater than imports of 322,812 tons in 1961. As in previous years, the Philippine Republic was the major source.

Imports since 1960 have equaled sales from the strategic stockpile of coconut oil, which amounted to 33,516 tons in 1960, 29,663 tons in 1961, and 23,556 tons in 1962. Thus, U.S. demand for copra and coconut oil has remained strong. Coconut oil imports increased nearly 65 percent in 1962, while U.S. imports of copra, as such, decreased slightly. Almost all of the coconut oil was supplied by the Philippines.

U.S. EXPORTS OF COCONUT OIL, CRUDE AND REFINED BY COUNTRY OF DESTINATION, 1960-62

Country of destination	Average 1955-59	1960	1961 [1]	1962 [1]
CRUDE	*Tons*	*Tons*	*Tons*	*Tons*
Canada	153	—	58	61
Cuba	1,900	2,201	—	—
Guatemala	57	1	—	—
Mexico	—	—	—	2
Costa Rica	18	60	—	—
Nicaragua	41	138	25	20
Panama	13	—	—	—
Colombia	303	185	244	171
Ecuador	499	129	62	58
Venezuela	—	1	112	—
Others	38	12	356	3
Total	3,022	2,727	857	315
REFINED				
Canada	156	505	411	121
Cuba	150	30	—	—
Guatemala	16	2	13	—
Mexico	1	1	6	5
Costa Rica	47	38	16	13
Nicaragua	9	—	3	6
Panama	8	—	—	—
Colombia	75	2	—	—
Ecuador	321	178	168	168
Venezuela	80	17	123	2
Others	494	88	105	107
Total	1,357	861	845	422

[1] Preliminary. Department of Commerce.

U.S. IMPORTS OF COPRA AND COCONUT OIL BY COUNTRY OF ORIGIN, 1960-62

Origin	Average 1955-59	1960	1961 [1]	1962 [1]
COPRA	*Tons*	*Tons*	*Tons*	*Tons*
Philippines	325,863	379,060	372,854	352,301
Trust Territory of the Pacific Islands	3,126	10,971	10,321	4,287
Others	112	—	—	—
Total	329,101	390,031	383,175	356,588
COCONUT OIL				
Canada	67	—	—	49
Netherlands	3,401	11,197	—	—
Ceylon	564	1,734	3	—
Philippines	89,463	60,789	81,392	132,814
Others	897	4,361	17	8
Total	94,392	78,081	81,412	132,871

[1] Preliminary.
Compiled from official records of the Department of Commerce.

The relatively small U.S. exports of crude and refined coconut oil declined from a total of 1,702 tons in 1961 to a total of 737 tons in 1962. Principal market for crude oil was Colombia; for refined oil, Ecuador came first and Canada second.

Costa Rica Grows More Burley

Preliminary estimates place the 1963 tobacco harvest in Costa Rica at 3.0 million pounds—down slightly from the 3.2 million harvested last season. The declines in both flue-cured and dark air-cured tobaccos were more than enough to offset a substantial rise in burley. High yields resulting from favorable growing conditions may result in a 1963 burley harvest of 280,000 pounds, compared with 124,000 pounds last season and only 27,000 in 1961.

The flue-cured harvest is estimated at 450,000 pounds, compared with 658,000 last season. The decline was attributed to a reduction in contract acreage. Harvest of dark air-cured tobacco, at 2.2 million pounds, is also expected to be slightly under the 1962 harvest of 2.4 million.

Australian Cigarette Production Increases

Cigarette output in Australia during 1962 totaled 19.1 billion pieces—up 5.3 percent from the 18.1 billion produced in 1961.

Output during the fourth quarter of 1962, at 4,626 million pieces, did not equal the third quarter production of 5,296 million pieces. This situation nullifies the earlier forecast of 19.6 billion for full calendar year 1962.

Thailand's 1963 Tobacco Harvest Up Slightly

Thailand's 1963 tobacco harvest is tentatively forecast at 68.2 million pounds—up slightly from the 1962 harvest of 65.9 million. Additional plantings of both flue-cured and dark sun-cured types are responsible for the increase.

Flue-cured production is estimated at 23.2 million pounds from 41,600 acres, compared with the 1962 harvest of 23.1 million from 41,300 acres. Burley production is expected to equal the 714,000 pounds harvested last season. The harvest of oriental leaf is placed at 165,000 pounds, compared with 154,000 pounds in 1962. Harvest of dark sun-cured types, at 44.1 million pounds, is expected to be about 5 percent greater than the 1962 harvest of 41.9 million pounds.

Extra-Long Staple Cotton Crop at Alltime High

Production of extra-long staple cotton in the foreign Free World in 1962-63 is now estimated at 2.1 million bales, an alltime high and 300,000 above last season's crop of 1.8 million. Most of the increase is in Egypt, where extra-long staple production rose to over 1.0 million bales from the severely reduced crop of 600,000 a year earlier. In contrast, Sudan's production of this type of cotton is likely to drop considerably to an estimated 765,000 bales, compared with 900,000 a year earlier.

Peru's crop of extra-long staple is now placed at 145,000 bales, against 148,000 in 1961-62. Changes elsewhere will be small except in the United States, where production is up to 98,000 bales from 63,000 a year earlier.

COTTON: PRODUCTION OF EXTRA-LONG STAPLE IN SPECIFIED FREE WORLD COUNTRIES, 1959-62 [1]

Country	1959	1960	1961 [2]	1962 [2]
	1,000 bales [3]	*1,000 bales* [3]	*1,000 bales* [3]	*1,000 bales* [3]
Egypt	1,078	1,045	638	1,050
Sudan	560	485	900	765
Peru	120	144	148	145
U. S.	69	66	63	98
Other	80	75	80	80
Total	1,907	1,815	1,829	2,138

[1] Crop years beginning August 1, in which major portion of crop was harvested. [2] Preliminary. [3] Bales of 500 pounds gross except for U. S., which is in running bales.

Australian Canned Fruit Prices Down

Prices for the 1963 Australian canned fruit pack will be below those of the previous year.

As announced by the Australian Canned Fruits Board and reported by the London trade press, minimum opening prices (c.i.f. London) for all canned fruit items this season will be lower than last. Canned apricot prices are reported down 21 cents per dozen 2½'s and clingstone peaches about 14 cents compared with an 11-cent reduction for Freestone's. Canned pears are down 7 cents while fruit cocktail and "two fruits" are reduced 14 cents.

AUSTRALIAN CANNED FRUIT PRICES FOR 1963 GRADES [1]

Species and Pack Style	Price c.i.f. London, per dozen 2½'s		
	Fancy	Choice	Standard
Apricots:	*U.S. dol.*	*U.S. dol.*	*U.S. dol.*
Halves			
1963	3.29	3.08	2.94
1962	3.50	3.29	3.15
Peaches:			
Clingstones			
Halves and slices			
1963	3.22	3.01	2.87
1962	3.36	3.15	3.01
Freestones			
Halves and slices			
1963	3.01	2.80	2.66
1962	3.12	2.90	2.76
Pears (Bartletts):			
Halves and quarters			
1963	3.50	3.29	3.15
1962	3.57	3.36	3.22
Fruit cocktail:			
1963	3.78	3.57	3.43
1962	3.92	3.71	3.57
"Two fruit"			
1963	3.22	3.01	2.87
1962	3.36	3.15	3.01

[1] In 1962 the corresponding grades were Choice, Standard and Second.

Togo Increases Coffee Producer Price

At a meeting of the cabinet on February 11, Togo's price to coffee producers was increased to CFA 65 per kilo (12¢ per lb.). The old price had been CFA 60 (11.1¢ per lb.). Cacao prices, at the same level as coffee, were similarly increased. These products represent over half of the value of Togo's exports.

Increasing producer prices in Togo does not represent an attempt to encourage production. Government agricultural policy in recent years has been directed toward diversification. The extension of crops other than coffee and cacao has been encouraged.

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